

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type: <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name: <u>Washington and Bruce Townships Senior Transportation thru Advanced Reservation</u>	County Macomb
Audit Date March 31, 2005	Opinion Date June 27, 2005	Date Accountant Report Submitted To State: September 30, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132]) |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): PLANTE & MORAN, PLLC			
Street Address 27400 Northwestern Highway	City Southfield	State MI	ZIP 48037
Accountant Signature <i>Plante & Moran, PLLC</i>			

**Washington and Bruce Townships
Senior Transportation
thru Advanced Reservation**

Financial Report

March 31, 2005

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

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Independent Auditor's Report

To the Board of Commissioners
Washington and Bruce Townships Senior
Transportation thru Advanced Reservation

We have audited the accompanying basic financial statements of Washington and Bruce Townships Senior Transportation thru Advanced Reservation as of March 31, 2005 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Washington and Bruce Townships Senior Transportation thru Advanced Reservation as of March 31, 2005 and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Washington and Bruce Township Senior Transportation thru Advanced Reservation. This information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

To the Board of Commissioners
Washington and Bruce Townships Senior
Transportation thru Advanced Reservation

As described in Note I, the Washington and Bruce Townships Senior Transportation thru Advanced Reservation, has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related statements, as of April 1, 2004.

Plante & Moran, PLLC

June 27, 2005

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Management's Discussion and Analysis

Our discussion and analysis of Washington and Bruce Townships Senior Transportation thru Advanced Reservation's (the "System") financial performance provides an overview of its financial activities for the fiscal year ended March 31, 2005. Please read it in conjunction with the System's financial statements.

As this is the first year of the management's discussion and analysis report, and, consistent with Governmental Accounting Standards Board Statement No. 34, this year's report does not show data comparative with prior years. In future years, the condensed financial information section below will include this information.

Washington and Bruce Townships Senior Transportation (S.T.A.R.) as a Whole

The following table shows, in condensed format, the net assets as of the current date and the statement of activities for the year ended March 31, 2005 (amounts in thousands):

TABLE 1

Assets	
Current assets	\$ 1,206
Noncurrent assets	77
Total assets	1,283
Current Liabilities	66
Net Assets	
Invested in capital assets	77
Unrestricted	1,140
Total net assets	<u><u>\$ 1,217</u></u>

TABLE 2

Revenue	
Property taxes	\$ 354
Other	112
Total revenue	466
Expenses	401
Change in Net Assets	<u><u>\$ 65</u></u>

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Management's Discussion and Analysis (Continued)

The System's combined net assets increased by approximately 5 percent. This was mainly due to an increase in tax collections. The System collected over \$43,007 than originally budgeted for in the current year. Also, capital assets increased this year with the purchase of two 2004 Ford Crown Victoria cars, which in total cost \$44,112. Overall, expenditures did increase from the prior year by \$91,253. Correspondingly, revenues increased by \$56,282.

The System's revenue consists of millage from Washington and Bruce Townships, and municipal and community credits, as well as a specialized service grant from SMART, a regional transportation system. Revenue increased due to the raise in tax bases within the townships. The monies received from SMART remained approximately the same from prior year.

General Fund Budgetary Highlights

The drivers' wages increased by 8 percent compared to the budget. This correlates directly with the increase in miles, riders, and trips. In addition, there were also unforeseen increases in the cost of fuel, vehicle insurance, and maintenance. Three of the older vehicles with high mileage were replaced, which lead to a rise in the cost of maintenance. Overall, the total expenditures exceed the budget by approximately \$3,500.

Economic Factors and Next Year's Budgets and Rates

The System's management budget for next year calls for minor changes with the exception of an addition of a part-time staff or replacement of a vehicle if any grants become available. The System will work hard to maintain a budget that works for all entities.

Contacting Washington and Bruce Townships Senior Transportation's Management

This financial report is intended to provide our citizens, customers, and investors with a general overview of the System's finances and show the System's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the System's office.

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Governmental Fund Balance Sheet - Statement of Net Assets March 31, 2005

	Balance Sheet - Modified Accrual	Adjustments (Note 2)	Statement of Net Assets - Full Accrual
Assets			
Cash and cash equivalents (Note 3)	\$ 893	\$ -	\$ 893
Investments (Note 3)	1,187,510	-	1,187,510
Due from other governmental units	17,150	-	17,150
Taxes receivable (Note 1)	325	-	325
Capital assets - Depreciated (Note 4)	<u>-</u>	<u>77,327</u>	<u>77,327</u>
Total assets	<u>\$ 1,205,878</u>	<u>77,327</u>	<u>1,283,205</u>
Liabilities and Fund Balance			
Liabilities			
Accounts payable	6,089	-	6,089
Due to other governmental units	54,016	-	54,016
Employee compensated absences (Note 1)	<u>-</u>	<u>5,923</u>	<u>5,923</u>
Total liabilities	60,105	5,923	<u>66,028</u>
Fund Balance - Unreserved and undesignated	<u>1,145,773</u>	<u>(1,145,773)</u>	-
Total liabilities and fund balance	<u>\$ 1,205,878</u>		
Net Assets			
Invested in capital assets		77,327	77,327
Unrestricted		<u>1,139,850</u>	<u>1,139,850</u>
Total net assets		<u>\$ -</u>	<u>\$ 1,217,177</u>

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance - Statement of Activities Year Ended March 31, 2005

	Revenues and Expenditures - Modified Accrual	Adjustments (Note 2)	Statement of Activities - Full Accrual
Revenue			
Taxes	\$ 354,278	\$ -	\$ 354,278
Intergovernmental - Shared revenue	92,491	-	92,491
Interest	10,606	-	10,606
Donations	285	-	285
Weekend service	5,084	-	5,084
Miscellaneous	3,500	-	3,500
Total revenue	466,244	-	466,244
Expenditures			
Personnel:			
Drivers	115,164	-	115,164
Weekend drivers	2,444	-	2,444
Coordinator	39,689	-	39,689
Director	15,227	-	15,227
Accounting service	6,837	-	6,837
Administrative support	25,276	422	25,698
FICA	16,344	-	16,344
Health insurance	7,002	-	7,002
Life insurance	657	-	657
Longevity	1,500	-	1,500
MESC	1,373	-	1,373
Retirement	8,656	-	8,656
Uniforms	1,005	-	1,005
Total personnel	241,174	422	241,596
Vehicles:			
Cleaning	867	-	867
Equipment	44,632	(44,112)	520
Gasoline	17,662	-	17,662
Insurance	14,767	-	14,767
Maintenance and repairs	27,581	-	27,581
Miscellaneous	597	-	597
Weekend and charter service	19,187	-	19,187
Total vehicles	125,293	(44,112)	81,181

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance - Statement of Activities (Continued) Year Ended March 31, 2005

	Revenues and Expenditures - Modified Accrual	Adjustments (Note 2)	Statement of Activities - Full Accrual
Expenditures (Continued)			
General and administrative:			
Audit	\$ 2,000	\$ -	\$ 2,000
Disability insurance	639	-	639
Equipment	1,743	-	1,743
Miscellaneous	80	-	80
Office supplies	2,104	-	2,104
Personal liability insurance	5,000	-	5,000
Publishing	300	-	300
Depreciation	-	50,283	50,283
Telephone	3,254	-	3,254
Utilities	6,000	-	6,000
Training	2,516	-	2,516
Workers' compensation	4,837	-	4,837
Total general and administrative	28,473	50,283	78,756
Total expenditures	394,940	6,593	401,533
Change in Fund Balance/Net Assets	71,304	(6,593)	64,711
Fund Balance/Net Assets			
Beginning of year - As adjusted in Note 1	1,074,469	77,997	1,152,466
End of year	<u>\$ 1,145,773</u>	<u>\$ 71,404</u>	<u>\$ 1,217,177</u>

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

**Notes to Financial Statements
March 31, 2005**

Note I - Summary of Significant Accounting Policies

The accounting policies of the Washington and Bruce Townships Senior Transportation thru Advanced Reservation (the "System") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies used by the System.

Reporting Entity

The System was organized December 29, 1981, by a joint resolution between Washington and Bruce Townships. The System was organized to provide transportation services to residents of the two townships who are 60 years of age or older. The System is governed by a two-member board with one representative each from Bruce and Washington Townships and one alternate member from each township. The System is not considered to be a component unit of the Townships of Bruce or Washington.

The accompanying basic financial statements have been prepared in accordance with criteria established by the Government Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on these criteria, there are no component units of the System that are to be included in the reporting entity.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The System's basic financial statements include both the System's full accrual financial statements and modified accrual financial statements.

Full Accrual Financial Statements

The full accrual financial statements (i.e., the statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants, charges for services, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statement of net assets includes and recognizes all long-term assets and liabilities.

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

**Notes to Financial Statements
March 31, 2005**

Note 1 - Summary of Significant Accounting Policies (Continued)

Modified Accrual Financial Statements

The modified accrual financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the System considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Interest earned on investments is recorded on the accrual basis.

Private sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The System has elected not to follow private sector standards issued after November 30, 1989, for its full accrual presentation.

Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments - Investments are recorded at fair value, based on quoted market prices.

Property Taxes - Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. Property taxes levied on December 1, 2004, are recorded as revenue for the year ending March 31, 2005.

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

**Notes to Financial Statements
March 31, 2005**

Note I - Summary of Significant Accounting Policies (Continued)

The System receives property taxes levied by the member townships of Washington and Bruce. The 2004 taxable value of all the property subject to the System's millage is \$958 million and \$438 million for Washington Township and Bruce Township, respectively, on which taxes levied consisted of total mills of .2500 for each township, of which all were for operating purposes. This resulted in approximately \$350,000 for operations. This amount is recognized as tax revenue.

Capital Assets - Capital assets, which include equipment and vehicles, are reported in the statement of net assets. Capital assets are defined by the Washington and Bruce Townships Senior Transportation thru Advanced Reservation as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Equipment	5 years
Vehicles	5 years

Compensated Absences - It is the System's policy to permit full-time employees to accumulate earned but unused sick, vacation, and personal day benefits. All compensated absence pay is accrued when incurred in the government-wide financial statement. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

**Notes to Financial Statements
March 31, 2005**

Note I - Summary of Significant Accounting Policies (Continued)

Change in Accounting - During the current year, the System adopted GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Changes to the System's financial statements as a result of GASB No. 34 are as follows:

- A management's discussion and analysis (MD&A) section providing analysis of the System's overall financial position and results of operations has been included.
- The financial statements include a full accrual accounting for all of the System's activities.
- Capital assets at March 31, 2004 previously reported in the General Fixed Assets Account Group have been adjusted by approximately \$83,000 to reflect the historical cost of the System's capital assets at that time.
- The General Fund now accrues a liability for compensated absences only to the extent that they come due for payment prior to year end.
- The General Fund fund balance was restated by \$81,484 in connection with a change in the recording of grant revenue received by the System.

Other accounting policies are disclosed in other notes to the financial statements.

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Notes to Financial Statements
March 31, 2005

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

Total fund balance and the net change in fund balance of the Washington and Bruce Townships Senior Transportation thru Advanced Reservation's modified accrual reporting differs from net assets and change in net assets of the full accrual reporting in the statement of net assets and the statement of activities. This difference results primarily from the long-term economic focus of the full accrual reporting versus the current economic focus of modified accrual reporting. The following are reconciliations of fund balance (modified accrual basis) to net assets (full accrual basis) and the net change in fund balance to the net change in net assets:

Total Fund Balance - Modified Accrual Basis	\$ 1,145,773
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Amounts reported in the statement of net assets are different because:

Capital assets are not financial resources and are not reported in the fund	77,327
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Long-term liabilities are not due and payable in the current period and are not reported in the fund	<u>(5,923)</u>
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Total Net Assets - Full Accrual Basis	<u>\$ 1,217,177</u>
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Net Change in Fund Balance - Modified Accrual Basis	\$ 71,304
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Amounts reported in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	44,112
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Depreciation is recorded as an expense in the statement of activities but not in the governmental funds	(50,283)
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The change in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	<u>(422)</u>
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Change in Net Assets of Governmental Activities - Full Accrual Basis	<u>\$ 64,711</u>
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Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Notes to Financial Statements March 31, 2005

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The System is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; bankers' acceptances of United States banks; commercial paper rated within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; local government investment pools; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the System is in accordance with Public Act 196 of 1997 and has authorized investment in all of the investments allowable by the State statutory authority as listed above.

The System's deposits and investment policies are in accordance with statutory authority. At year end, the deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities
Cash and cash equivalents	\$ 893
Investments	<u>1,187,510</u>
Total	<u><u>\$ 1,188,403</u></u>

The breakdown between deposits and investments for the System is as follows:

	Primary Government
Bank deposits (checking accounts, savings accounts, and certificates of deposit)	\$ 593
Investments in bank investment pools	1,187,510
Petty cash	<u>300</u>
Total	<u><u>\$ 1,188,403</u></u>

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

**Notes to Financial Statements
March 31, 2005**

Note 3 - Deposits and Investments (Continued)

Deposits

The deposits are reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$27,490. The total amount was covered by federal depository insurance.

Investments

The System's investments during the year consisted solely of bank investment pools of \$1,187,510 at March 31, 2005. Investments are normally categorized to give an indication of the level of risk assumed by the System; however, bank investment pools are not categorized because they are not evidenced by securities that exist in physical or book entry form. The System believes that the investments in these funds comply with the investment authority noted above.

Note 4 - Capital Assets

A summary of capital assets is as follows:

	Balance - April 1, 2004	Additions	Deletions	Balance - March 31, 2005
Governmental Activities				
Capital assets being depreciated:				
Equipment	\$ 5,352	\$ -	\$ -	\$ 5,352
Vehicles	201,951	44,112	-	246,063
Subtotal	207,303	44,112	-	251,415
Accumulated depreciation:				
Equipment	2,634	1,070	-	3,704
Vehicles	121,171	49,213	-	170,384
Subtotal	123,805	50,283	-	174,088
Net capital assets being depreciated	83,498	(6,171)	-	77,327
Net capital assets	\$ 83,498	\$ (6,171)	\$ -	\$ 77,327

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

**Notes to Financial Statements
March 31, 2005**

Note 5 - Budget Information

The annual budget is prepared by the System and adopted by Washington and Bruce Townships; subsequent amendments are approved by the boards of the above entities. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at March 31, 2005 has not been determined. During the current year, the budget was amended in a legally permissible manner. The budget is prepared in accordance with accounting principles generally accepted in the United States of America.

The budget is adopted on a line-item basis. Expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the budget as adopted is included in the basic financial statements. This comparison included expenditure budget overruns.

Excess of Expenditures Over Appropriations - During the year, the System incurred expenditures that were in excess of the amounts budgeted, as follows:

	Amended Budget	Actual
General Fund:		
Personnel - Drivers	\$ 107,000	\$ 115,164
Personnel - Coordinator	38,552	39,689
Personnel - Administrative support	24,000	25,276
Personnel - FICA	16,000	16,344
Vehicles - Cleaning	800	867
Vehicles - Gasoline	14,000	17,662
Vehicles - Maintenance and repairs	20,000	27,581
Vehicles - Miscellaneous	400	597
Vehicles - Weekend and charter service	18,200	19,187
General and administrative - Equipment	500	1,743
General and administrative - Personal liability insurance	-	5,000
General and administrative - Publishing	-	300

The unfavorable variances were caused by unanticipated expenditures that became necessary during the year.

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

**Notes to Financial Statements
March 31, 2005**

Note 6 - Defined Contribution Retirement Plan

The System provides pension benefits to all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by board resolution, the System contributes 15 percent of employees' base salaries. In accordance with these requirements, the System contributed approximately \$8,656 during the current year.

Note 7 - Risk Management

The System is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The System has purchased commercial insurance for medical claims and workers' compensation, and participates in the Michigan Municipal League Plan risk pool for claims relating to property loss, torts, and errors and omissions. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League Plan operates as an insurance purchasing pool for local units of government in Michigan. The Plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

Note 8 - Related Parties

The System conducts its operations in facilities owned by a local unit of government. The cost of the building space is donated to the System. The monetary value of this in-kind service has not been determined.

Required Supplemental Information

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2005

	Original Budget	Amended Budget	Actual	Variance with Amended Budget - Favorable (Unfavorable)
Revenue				
Taxes	\$ 311,271	\$ 311,271	\$ 354,278	\$ 43,007
Intergovernmental - Shared revenue	77,000	77,000	92,491	15,491
Interest	4,000	4,000	10,606	6,606
Donations	-	-	285	285
Weekend service	3,800	3,800	5,084	1,284
Miscellaneous	3,000	3,000	3,500	500
Total revenue	399,071	399,071	466,244	67,173
Expenditures				
Personnel:				
Drivers	107,000	107,000	115,164	(8,164)
Weekend drivers	3,100	3,100	2,444	656
Coordinator	38,552	38,552	39,689	(1,137)
Director	16,487	16,487	15,227	1,260
Accounting service	6,848	6,848	6,837	11
Administrative support	24,000	24,000	25,276	(1,276)
FICA	16,000	16,000	16,344	(344)
Health insurance	10,000	10,000	7,002	2,998
Life insurance	1,100	1,100	657	443
Longevity	1,500	1,500	1,500	-
MESC	2,300	2,300	1,373	927
Retirement	9,400	9,400	8,656	744
Uniforms	2,000	2,000	1,005	995
Total personnel	238,287	238,287	241,174	(2,887)
Vehicles:				
Cleaning	800	800	867	(67)
Equipment	48,000	48,000	44,632	3,368
Gasoline	14,000	14,000	17,662	(3,662)
Insurance	15,000	15,000	14,767	233
Maintenance and repairs	20,000	20,000	27,581	(7,581)
Miscellaneous	400	400	597	(197)
Weekend and charter service	18,200	18,200	19,187	(987)
Total vehicles	116,400	116,400	125,293	(8,893)

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended March 31, 2005

	Original Budget	Amended Budget	Actual	Variance with Amended Budget - Favorable (Unfavorable)
Expenditures (Continued)				
General and administrative:				
Audit	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Disability insurance	800	800	639	161
Equipment	500	500	1,743	(1,243)
Miscellaneous	2,000	2,000	80	1,920
Office supplies	2,700	2,700	2,104	596
Personal liability insurance	-	-	5,000	(5,000)
Publishing	-	-	300	(300)
Service contracts	1,270	1,270	-	1,270
Telephone	6,000	6,000	3,254	2,746
Utilities	6,000	6,000	6,000	-
Training	3,000	3,000	2,516	484
Administrative benefits	5,000	5,000	-	5,000
Workers' compensation	7,500	7,500	4,837	2,663
Total general and administrative	36,770	36,770	28,473	8,297
Total expenditures	391,457	391,457	394,940	(3,483)
Change in Fund Balance - Net assets	7,614	7,614	71,304	63,690
Fund Balance/Net Assets				
Beginning of year	992,985	992,985	992,985	-
End of year	<u>\$ 1,000,599</u>	<u>\$ 1,000,599</u>	<u>\$ 1,064,289</u>	<u>\$ 63,690</u>